

**MINUTES**  
**Town of Crested Butte**  
**Regular Town Council Meeting**  
**Monday, February 6, 2017**  
**Council Chambers, Crested Butte Town Hall**

Mayor Michel called the meeting to order at 7:00PM.

Council Members Present: Jim Schmidt, Jackson Petito, Chris Ladoulis, Roland Mason, Laura Mitchell, and Paul Merck

Staff Present: Town Manager Dara MacDonald and Town Attorney John Belkin

Finance Director Lois Rozman, Town Planner Michael Yerman, Parks and Recreation Director Janna Hansen, Building and Zoning Director Bob Gillie, Chief Marshal Mike Reily, and Town Clerk Lynelle Stanford (all for part of the meeting)

**APPROVAL OF THE AGENDA**

Michel stated that item #1, Discussion on Financing Options for the Center for the Arts, was removed from the agenda. MacDonald added a second item under Executive Session #1 regarding Cypress water negotiations.

Schmidt moved and Merck seconded a motion to approve the agenda with the amendments of dropping item #1 under New Business and adding a third Executive Session item. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

**CONSENT AGENDA**

**1) January 17, 2017 Regular Town Council Meeting Minutes.**

Mason moved and Ladoulis seconded a motion to approve the Consent Agenda. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

**PUBLIC COMMENT**

None

**STAFF UPDATES**

Michael Yerman

- Introduced the new Open Space-Creative District Coordinator, Hilary Henry.
- Funding Partners, for affordable housing, would be coming to town Wednesday, and there would be a work session on the 21<sup>st</sup> regarding the Town's affordable housing projects.

Lois Rozman

- December sales tax was up 10%, and it was up 4% for the year.
- Reported there was an email sent out to Colorado Airbnb hosts that suggested that Airbnb was collecting all sales taxes. However, they were not collecting for self-collected municipalities, like Crested Butte. MUNIREvs would be initiating an email to business license holders notifying them.
- Hilary Ingersoll, the new HR Tech, started on January 31<sup>st</sup>.
- Rozman updated on snow removal costs. In January, Town spent \$130K. \$178K was the total budget, not including the \$100K contingency. She did not expect snow removal to put Town in a financial bind.

Bob Gillie

- The Building Department was starting to get busy with approvals for the upcoming building season.
- They were working on a possible commercial building at 206 Elk and looking at a number of micro lots.
- BOZAR met and awarded the project of the year to the Depot.
- Mason asked about a potential addition or expansion at Clark's. Gillie had two discussions with Tom Clark. There were challenges such as with neighbors and parking, and he hadn't heard from Clark recently.

Mike Reily

- The Marshals were busy, especially with work such as towing and winter parking.
- The main thing that they had dealt with was the Women's March on the 21<sup>st</sup>. They tried to come up with strategies to reduce conflict. He estimated between 400 and 500 people attended. He mentioned unintended consequences such as an issue with Mountain Express. A key component was having a conversation with organizers. MacDonald stated there was an event review process. The main issue was public safety, and Town wouldn't want to limit the ability to express. Staff may look at an abbreviated process. Schmidt wanted Town to be as open as possible. He thanked the Marshals for handling the March how they did.

Janna Hansen

- There was a crack in the roof at Big Mine Ice Arena. The engineer and general contractor (GC) did a visual inspection and discovered a cracked weld at a seam. The GC would talk to the manufacturer of the roof, but there was no question of structural integrity. They were told to remove the snow from the roof, and crews were shoveling.
- Attended a noxious weed meeting. The committee expressed gratitude for the letter of support from Town.
- They had great conversations so far on the Big Mine warming house expansion project.
- Thanked crews for work on the Alley Loop.

Lynelle Stanford

- Staff would be scheduling a debrief meeting on the Alley Loop.

- Asked the Council to discuss dates for the retreat.
- Public House LLC applied for a liquor license at 202 Elk Avenue, and a public hearing would be on an upcoming agenda.
- Betty (Deputy Clerk) facilitated the completion of a Laserfiche upgrade. There would be training on March 2<sup>nd</sup>.

Dara MacDonald

- The operator had been brought on at the Wastewater Treatment Plant. The open positions for Town had all been filled.
- The owners group of the Brush Creek Parcel would reconvene on Wednesday.
- Community Builders Taskforce continued to meet. They would be requesting \$4K from each municipality to track metrics of change over time to see the effects of the OVPP's efforts.
- She was getting started on commercial leases and would be sending out letters to tenants in the next week.

Michel thanked Staff for their hard work.

### **PUBLIC HEARING**

#### **1) Ordinance No. 12, Series 2016 - An Ordinance of the Crested Butte Town Council Amending Chapter 6 of the Crested Butte Municipal Code to Include New Regulations in Article 6 Thereof for the Licensing of Vacation Rentals and Defining Vacation Rentals in Chapter 16.**

Michel recused himself, explained the reasons, and he left the room. Mitchell also recused herself, explained her reason, and she left the room. Mason, as the Mayor Pro Tem, took Michel's seat.

MacDonald explained that public comment had been closed at the last meeting, but Council could take more if they desired. Gillie reviewed changes from the previous ordinance as reflected in his staff report. Mason asked the Council if they would take public comment and how they wanted to do it. Schmidt wanted to separate requirements from any limitations, as the ordinance was originally. He asked Staff to create a graph reflecting if they limited the number of days or number of units; provide pros and cons of each type of limitation; and determine if they wanted to go that way or not. Schmidt confirmed he wanted to see the mechanicals of the ordinance passed, and he suggested a joint work session with the (STR) committee and Council.

MacDonald affirmed it would be simple to carve out the changes to Chapter 16 from the ordinance, while still integrating the definition of vacation rentals. Staff was seeking direction on BOLT licenses that had been issued in areas where STRs were not allowed. Ladoulis questioned if they were tabling the discussion (on limitations), or if they were saying they didn't want to do it. He didn't want to push out uncertainty. He recognized that starting from scratch could have unintended, negative consequences. Schmidt reiterated his desire for a chart, to include legalities. Mason wanted to see a lay out,

specifically with capping or limiting days, what they talked about, and where they wanted it to go. Merck asked who was using STRs. He didn't know the timeline regarding passing or leaving possible zoning changes and capping to get the ordinance moving. He suggested they invite the committee back. Ladoulis said it was convenient to not get it across the finish line, regarding the cap and limitations, and he wasn't sure more information would get them there. MacDonald responded to Petito's procedural questions, and she confirmed that they could remove Section 3 and vote on an amended ordinance. Gillie stated he did not disagree with Ladoulis. He told the Council that the committee wanted something that had teeth regarding limiting STRs in Town. He saw they had a hard political decision. Mason thought they had to define what they were trying to do by limiting. Mason was willing to continue, but he didn't want to see the rest of the ordinance tabled. Petito appreciated any addition to the discussion or hearing from the committee. He was agreeable to tabling as long as the limitation was on the edge of the table. Ladoulis was ready to vote on the ordinance without Section 3.

Ladoulis moved and Schmidt seconded a motion to pass Ordinance No. 12, excluding Section 3. A roll call vote was taken with all voting, "Yes," except for Michel and Mitchell, who had recused themselves and did not vote. **Motion passed unanimously.**

MacDonald recapped what she heard from the Council. They asked Staff to put together pros and cons and explanations of the differences of limitation schemes to try to identify discussion points that had come out over the past months. Mason wanted to engage the committee as soon as possible. Belkin asked if they wanted to more formally create the committee. Gillie stated the committee was not dealing with the political aspect. Schmidt didn't know if the committee could reach consensus. Mason agreed it had polarized the community, and it would be hard to get consensus.

The Council decided they needed to schedule a special meeting. Petito asked for clarification on limitations to include the number of days, percentage caps, x number of licenses, zoning, and the primary residence question.

Schmidt moved and Merck seconded a motion to set a special meeting on the 15<sup>th</sup> at 6PM to discuss STRs. A roll call vote was taken with all voting, "Yes," except for Michel and Mitchell, who had recused themselves and did not vote, and Ladoulis voted, "No."  
**Motion passed.**

Michel and Mitchell returned to the meeting.

MacDonald reviewed details of the ordinance that had passed. Belkin further explained that unlimited remained in the Code as it was. The ordinance that passed was only a licensing regime. MacDonald stated that Town would not issue BOLT licenses in zones that were prohibited, and the discussion would be included at the February 15<sup>th</sup> meeting.

**2) Ordinance No. 1, Series 2017 - An Ordinance of the Crested Butte Town Council Authorizing the Lease of Various Town Residential Properties (Units 1, 2 and 3, Town Ranch Apartments, 808 9th Street; 812 Teocalli Avenue; 814 Teocalli Avenue;**

**19 9th Street; and 17 9th Street, Crested Butte, Colorado) to Various Town Employees.**

Michel confirmed that proper public notice was given. MacDonald explained the background on the ordinance. The meeting was opened to public comment. There was no one present who wanted to comment. The public hearing was closed, and the Council had no further discussion.

Merck moved and Mason seconded a motion to approve Ordinance No. 2017-01. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

**NEW BUSINESS**

**1) Discussion on Financing Options for the Center for the Arts.**

Item was removed from the agenda and deferred to the next meeting.

**2) Discussion and Possible Action Regarding Correspondence from Law of the Rockies on Behalf of the Heights Subdivision Concerning Avalanche Issues on Heights Open Space.**

Hansen explained the history behind the agenda item, including four letters between the Town and the Heights included in the packet. Town had worked to mitigate avalanches on the slope and reached out to homeowners to formalize the process. Hansen reviewed suggestions in the report from Art Mears. Michel confirmed that it was not solely the Town of Crested Butte who mitigated avalanches. Town reached out to legal counsel to see if they could meet to discuss resolution, but the homeowners modified their request asking for indemnification. CIRSA did not recommend the Town indemnify the owners because Town would give up governmental immunity. Hansen recapped the options outlined in her staff report. She described amenities that would be lost if Big Mine could not be used in the winter.

Michel confirmed the discussion points and options reported by Hansen were based on the report from Mears. Michel would not entertain indemnifying, which was Option 2. Option 3 would require that the Town take on a known liability, and there could potentially be an increase in premiums. Hansen reviewed the pros and cons of Option 3. She added that there could possibly be an option to negotiate with the homeowners again. Michel asked Belkin about the homeowners' liability. Belkin stated it was their property, and they knew about the hazard. The snow was coming onto Town's property, and Town built a park there. He agreed it would be nice to get together to work it out.

Jacob With was present at the meeting representing the homeowners. He explained the clients' interests such as they wanted to keep the park open, but they recognized that avalanche mitigation was dangerous. His clients didn't want to indemnify the Town for their efforts. If there was an act of God and they did not contribute, then they were not liable. Their concern was they could find themselves with new liability. With mentioned

the deed restrictions on the plat, and the importance to the homeowners to maintain an open view. His clients wanted to allow Town to do the work, but they didn't want to be left with responsibility. He suggested options to explore, and he listed the three items desired by his clients. Belkin told the Council they were asking Town to take on the problem and also protect them. Indemnity assigned responsibility. With countered that they didn't build the park, and they didn't believe they had responsibility.

Michel went through the options presented by Hansen. Belkin told the Council they didn't want to lease the property. Merck wondered if the homeowners needed the open space, or if it could be given to the Town for a small amount. Belkin identified the ultimate long-term solution was to purchase the land and to build an avalanche fence. MacDonald informed the Council the Town was not prepared from a budget perspective to build a fence. Merck thought Option 3 was the best one. Michel told With that the first thing was to communicate. With wanted to be sure structures that could be built were outside of the natural view shed. He agreed they could narrow it down if they communicated. Mason would rather the Town took on the issue rather than it being in limbo. Michel recognized the Town greatly valued the Nordic Center and the opportunities they provided. Council hoped to come to a reasonable solution.

### **3) Ordinance No. 2, Series 2017 - An Ordinance of the Crested Butte Town Council Amending Chapter 18, Article 8 of the Crested Butte Municipal Code to Include Allowances for Additional Signage in the Business and Commercial Zone Districts Under Certain Circumstances.**

Gillie said the existing sign code determined that there could only be one projecting sign on each building or façade. BOZAR examined whether they could allow additional projecting signs. They were willing to approve more than one projecting sign per building with certain parameters. Michel affirmed that the BOZAR was recommending that Council adopt the ordinance.

Schmidt moved and Mason seconded a motion to set Ordinance No. 2, Series 2017 for public hearing at the February 21<sup>st</sup> meeting. **Motion passed.**

### **LEGAL MATTERS**

None

### **COUNCIL REPORTS UPDATES AND COMMITTEE UPDATES**

Laura Mitchell

- She could not attend the rescheduled Scenic Byways meeting. She would report based on minutes at the next meeting.
- She attended a Mountain Express meeting.
- Michel heard the Chamber would no longer provide the Chamber outlet at RMBL.

#### Roland Mason

- He attended a Mountain Express meeting. Ridership in December was up 4%, and it was up 3% for the year. January was up 40% from last year.
- Chris Larsen attended the Gunnison Housing Foundation meeting to discuss potential work force housing. They were working to collaborate to construct a multi-unit building.
- The new senior van had been wrapped with similar RTA logos with Mountain Express on it.
- The financial report came out for Mountain Express through November.

#### Glenn Michel

- Attended CAST in Ketchum, ID. It was a productive chance to meet people from other towns who had similar issues, and it was interesting to see what communities were doing.
- He went to the State Historic Preservation Conference last week. The theme was the economic benefit of history preservation. Crested Butte was recognized statewide for the built environment.

#### Chris Ladoulis

- Would be attending a Tourism Association meeting this week.
- Western's ICE project started conversations with entrepreneurs.

#### Jackson Petito

- The Housing Foundation meeting was on the 18<sup>th</sup>. They talked about: difficulty of AMI requirements; purchasing federal lands for affordable housing purposes; and essential service housing. They approved a \$10K grant for the Housing Authority for strategic planning, and they approved an emergency funding policy.

#### Jim Schmidt

- He attended a Gunnison Valley Regional Housing Authority meeting. Anthracite Place incurred additional costs for roof shoveling.
- Swenson was the acting director, and they hired a consultant to search for a new director.
- They would be having a strategic planning update. He would attend the two-day retreat.
- Joe Roland from Funding Partners would be coming on Wednesday to talk about financing arrangements.
- The Housing Authority was approached about purchasing a six-plex in Town. The Board was asking if Town would be interested in participating in a down payment. The Council agreed to direct Staff to analyze to report back to the Council.

#### Paul Merck

- Attended the Creative Art District retreat.

Jim Schmidt

- Margot (Levy) was resigning from the Board (Gunnison Valley Regional Housing Authority). He thought it would be helpful to have a Staff member appointed, and the Council agreed to appoint Michael Yerman.

Schmidt moved and Petito seconded a motion to appoint Michael Yerman as representative to the Gunnison Valley Regional Housing Authority Board. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

### **OTHER BUSINESS TO COME BEFORE THE COUNCIL**

Two people approached Mitchell about a sailing program for kids. Michel hoped it would originate from the community rather than the Town. Ladoulis liked the idea and offered his assistance with questions.

Mason wanted to confirm they were engaged in conversation on the Brush Creek property and to appoint MacDonald to be at the meeting to represent the Town. Mitchell questioned who the stakeholder group was for CBMR. Michel asked Staff to provide the original MOU.

Schmidt brought up Council's involvement in making statements on issues. He thought it was important to make a statement. Michel noticed general angst, and people wondered if Town would have their backs. He thought Town could make a proclamation that it would continue to be an open community. Schmidt agreed. Ladoulis questioned that if Town was that open, did they have to say it. He hoped they didn't get into political commentary as a body. Schmidt, Mitchell, Petito, and Michel directed Staff to create a proclamation.

### **DISCUSSION OF SCHEDULING FUTURE WORK SESSION TOPICS AND COUNCIL MEETING SCHEDULE**

- Tuesday, February 21, 2017 - 6:00PM Work Session - 7:00PM Regular Council
- Monday, March 6, 2017 - 6:00PM Work Session - 7:00PM Regular Council
- Monday, March 20, 2017 - 6:00PM Work Session - 7:00PM Regular Council

Council discussed scheduling a retreat. Wednesday, March 8 was the date that was identified. MacDonald said that details would be forthcoming.

### **EXECUTIVE SESSION**

Michel read the reasons for Executive Session:

- 1) For the purpose of determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and/or instructing negotiators, under C.R.S. Section 24-6-402(4)(e) regarding Transactions with Freeport-McMoRan Inc. respecting Mt. Emmons and Cypress Water Negotiations and also
- 2) For a conference with the Town Attorney for the purpose of receiving legal advice on specific legal questions under C.R.S. Section 24-6-402(4)(b).


Schmidt moved and Mitchell seconded a motion to go into Executive Session for the purposes stated by the Mayor. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

The Council went into Executive Session at 9:45PM. Council returned to open meeting at 10:17PM. Mayor Michel made the required announcement before returning to open meeting.

Council directed Staff to attempt to arrange a joint meeting with Council and the Board of County Commissioners.

#### **ADJOURNMENT**

Mayor Michel adjourned the meeting at 10:19PM.

  
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Glenn Michel, Mayor

  
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Lynelle Stanford, Town Clerk (SEAL)

